

The Insolvency Act 1986

Administrator's progress report

Name of Company Paintfirst Limited	Company number 04131242
In the High Court, Bristol District Registry, Chancery Division	Court case number 1081 of 2012

We
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administrators of the above company attach a progress report for the period

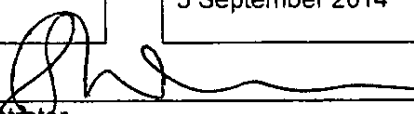
From

6 March 2014

To

5 September 2014

Signed


Joint Administrator

Dated

22/09/2014

Contact Details.

You do not have to give any contact information in the box opposite but if you do, it will help Companies House to contact you if there is a query on the form

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Companies House, Crown Way, Cardiff CF14 3UZ DX 33050 Cardiff

Administrators' Progress Report for the period 6 March 2014 to 5 September 2014

Fancourt Limited
Paintfirst Limited
Kennington Investments Limited
All in Administration

24 September 2014

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1 Why this report has been prepared

- 1.1 As you will be aware, Anne O'Keefe, Fraser Gray and Simon Wilson (the Administrators) were appointed over Fancourt Limited (Fancourt), Paintfirst Limited (Paintfirst) and Kennington Investments Limited (Kennington) on 11 October 2012
- 1.2 In accordance with UK insolvency legislation, an administrator is required to provide a progress report covering the period of six months commencing on the date on which a company entered into administration and every subsequent period of six months. This progress report covers the period 6 March 2014 to 5 September 2014 (the Period) and this report should be read in conjunction with all previous reports.
- 1.3 This report has been prepared in accordance with rule 2.47 of the Insolvency Rules 1986
- 1.4 The purpose of this report is to provide statutory and financial information about the Companies and to provide an update on the progress of the Administrations, including details of assets realised during the Period, details regarding the Administrators' fees and the expected outcome for each class of creditor
- 1.5 As a reminder an administrator of a company must perform their functions with a view to achieving one of the following statutory objectives
- Objective 1 rescuing a company as a going concern,
- Objective 2 achieving a better result for a company's creditors as a whole than would be likely if a company were wound up (without first being in administration), or
- Objective 3 realising property in order to make a distribution to one or more secured or preferential creditors.
- 1.6 The Administrators are pursuing the third statutory objective for all of the Companies. Further details on the actions taken to achieve that objective can be found in section 3 of this report
- 1.7 Details of the Administrators' fees and costs incurred are detailed at Appendices C to G
- 1.8 More information relating to the Administration process, Administrators' fees and creditors' rights can be found on Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). Log-in details to access this information can be found within the covering letter you have received
- 1.9 If you require a hard copy of this report or have any queries in relation to the contents of this report or the Administrations generally, please contact Hannah Smallwood on 0161 838 4552, creditorreports@zolfocooper.eu or write to Zolfo Cooper's office at The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB.

2 Summary of information for creditors

Estimated dividend for creditors

Description	Estimated debt £ 000	Likely level of return £ 000
Fancourt		
Secured creditor	30,000	Nil
Unsecured creditors	1,200	Nil
Paintfirst		
Secured creditor	30,000	Unknown
Unsecured creditors	4,963	Nil
Kennington		
Secured creditor	30,000	14,305
Unsecured creditors	1,794	Nil

Notes:

The debt provided by the secured creditor, Nationwide Building Society plc (Nationwide), has been taken from the demand letters dated 10 October 2012.

Fancourt and Kennington are jointly and severally liable for a debt of £30 million, which is fully guaranteed by Paintfirst. The total debt owed to Nationwide is detailed as the same sum for each company. It is anticipated that Nationwide will suffer a shortfall.

There are no employees, therefore there are no preferential creditors.

The estimated debt owed to the Companies' unsecured creditors has been taken from the directors' Statement of Affairs. The Administrators do not expect any dividend will be paid to this class of creditor.

For further information please refer to section 4 of this report.

3 Progress of the Administrations

- 3 1 Attached at Appendix B are the Administrators' Receipts and Payments Accounts for the Period, together with Cumulative Accounts for the period since appointment. Costs incurred but not yet paid are detailed at Appendix C

Fancourt

- 3 2 As detailed in previous reports, there are no assets available for realisation, however, the Administration must remain open due to the cross-guarantees provided by Paintfirst and Kennington in respect of Fancourt's debt to Nationwide.
- 3 3 Nationwide has provided an indemnity to meet the costs of this Administration.

Paintfirst

- 3.4 Paintfirst owns a head lease and a sub-underlease for a vacant ten storey property located in Croydon (Green Park House) As detailed in previous reports, the lease structure is complex where Paintfirst collects rent from, and also pays it to, the freeholder, Whitgift Foundation (Whitgift)
- 3 5 During the Period, rent totalling £31,704 has been collected It has previously been confirmed that rent is not an asset of this Administration and as such, should be remitted to Nationwide directly Nationwide has provided consent for rental receipts to be used to discharge the costs of this Administration Nationwide has also contributed a further £63,705 towards costs in the Period
- 3.6 The Administrators have instructed Eddisons Commercial (Property Management) Limited (Eddisons) to manage Green Park House The Administrators have provided Eddisons with a cash float which is regularly monitored and reconciled by the Administrators
- 3 7 An offer for both Green Park House and Kennington's sole asset, a large office block property located in London, has been received from Fifth Jupiter European Investments B V (Jupiter). The offer has been accepted and the contracts have exchanged, however it is conditional upon receipt of Whitgift's consent The Administrators currently await consent from Whitgift for the sale to proceed. The quantum of the offer has not been disclosed in this report as the sale has not yet completed
- 3 8 Since the appointment, the Administrators have continued to pursue a dilapidations claim against the former tenant of Green Park House Negotiations with the former tenant remain ongoing Any settlement achieved will be for the benefit of the purchaser of Green Park House and costs incurred post exchange will be reimbursed.

Kennington

- 3 9 Kennington owns a head lease and a sub-underlease for Edinburgh House, a property located in London.
- 3 10 Jupiter submitted an offer for Edinburgh House of £13.37 million Eddisons had previously provided a valuation of Edinburgh House of £9.7 million, therefore the offer exceeded the valuation by £3.67 million.

- 3 11 The offer was accepted by the Administrators and Nationwide, following which the sale completed on 25 July 2014. Funds have been received and are reflected on the Receipts and Payments Account at Appendix B.
- 3 12 The Administrators received funds from the tenant in the sum of £49,306, to settle the insurance costs of Edinburgh House.
- 3 13 The Administrators are finalising a tax matter relating to Kennington and once this has been concluded, Kennington will proceed to dissolution.

4 Estimated outcome for creditors

Secured creditor - Nationwide Building Society

- 4.1 Details of the Companies' debentures and charges are provided in the Administrators' Statement of Proposals dated 23 November 2012. At the date of appointment Nationwide was owed £30 million (excluding accrued interest and charges) under its security.
- 4.2 Following the sale of Edinburgh House, Nationwide has received a distribution totalling £12.65 million from Kennington. To date, Nationwide has received distributions totalling £14 million under its security. Any future distributions are dependant on the sale of Green Park House, however, it is estimated that Nationwide will suffer a shortfall.

Preferential creditors

- 4.3 The Companies do not have any employees therefore there are no preferential creditors.

Unsecured Creditors' Funds

- 4.4 Where there is a floating charge which was created on or after 15 September 2003, the Administrators are required to create a fund from the Companies net property available for the benefit of unsecured creditors (Unsecured Creditors' Fund), commonly known as the 'Prescribed Part'.
- 4.5 Fancourt and Kennington do not have any floating charge assets; therefore, there are no funds to enable the creation of an Unsecured Creditors' Fund for the benefit of unsecured creditors in these Administrations.
- 4.6 Based on current information, the Administrators believe that Paintfirst's net property will be less than £10,000 and the costs of making the distribution would outweigh any benefits to creditors. As a result, the Administrators are not required to make an unsecured distribution to the creditors of Paintfirst.
- 4.7 As such, there will be no dividend to the unsecured creditors of the Companies.

5 What happens next


Creditors' rights

- 5.1 Within 21 days of the receipt of this report, a secured creditor, or an unsecured creditor (with the agreement of at least 5% of the value of the unsecured creditors) may request in writing that the Administrators provide further information about their fees or expenses which have been itemised in this progress report
- 5.2 Any secured creditor, or an unsecured creditor (with the agreement of at least 10% of the value of unsecured creditors) may, within eight weeks of receipt of this report, make an application to court on the grounds that the basis fixed for the Administrators' fees are inappropriate, or that the fees charged or the expenses incurred by the Administrators during the period of this report are excessive

Next report

- 5.3 The Administrators are required to provide a progress report within one month of the end of the next six months of the Administrations, or earlier if the Administrations have been finalised. For details of the proposed exit route please see Appendix H

For and on behalf of
The Companies



Catherine Williamson
For Simon Wilson
Administrator
Encs

Appendix A. Statutory information

Companies' information

Fancourt

Company name	Fancourt Limited
Registered number	05386135
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	147 Stamford Hill, London, N16 5LG
Trading address	147 Stamford Hill, London, N16 5LG
Trading name	Fancourt
Court details	High Court, Bristol District Registry, Chancery Division
Court reference	1083 of 2012

Paintfirst

Company name	Paintfirst Limited
Registered number	0413242
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	147 Stamford Hill, London, N16 5LG
Trading address	147 Stamford Hill, London, N16 5LG
Trading name	Paintfirst
Court details	High Court, Bristol District Registry, Chancery Division
Court reference	1081 of 2012

Kennington

Company name	Kennington Investments Limited
Registered number	06335363
Registered office	c/o Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB
Former registered office	147 Stamford Hill, London, N16 5LG
Trading address	147 Stamford Hill, London, N16 5LG
Trading name	Kennington Investments
Court details	High Court, Bristol District Registry, Chancery Division
Court reference	1082 of 2012

Appendix A. Statutory information

Appointor's information

Name	Address	Position
Nationwide Building Society	Nationwide House, Pipers Way, Swindon, SN38 1NW	Floating chargeholder

Administrators' information

Name	Address	IP number	Name of authorising body
Anne O'Keefe	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008375	Insolvency Practitioners Association
Fraser Gray	Zolfo Cooper, Cornerstone, 107 West Regent Street, Glasgow, G2 2BA	008905	Insolvency Practitioners Association
Simon Wilson	Zolfo Cooper, The Zenith Building, 26 Spring Gardens, Manchester, M2 1AB	008963	Insolvency Practitioners Association

In accordance with paragraph 100(2) of schedule B1 of the Insolvency Act 1986, all functions of the Administrators are to be exercised by any or all of the Administrators. All references to the Administrators should be read as the Joint Administrators.

Extension of Administrations

The Administrations have been extended for six months with approval of Nationwide. A further extension was required to allow sufficient time for the disposal of the Companies' properties. The Administrations have been extended for a period of 12 months with the consent of the court. The Administrations will now end on or before 10 April 2015.

Appendix B. Receipts and Payments Accounts for the period 6 March 2014 to 5 September 2014 and Cumulative Accounts for the period since appointment

Fancourt

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts	-	
Funding from Nationwide	7,466	13,204
	<u>7,466</u>	<u>13,204</u>
Payments		
Administrators fees	-	3,750
Category 1 disbursements		
Specific penalty bond	-	30
Statutory advertising	-	77
Telephone charges	-	1
Re-direction of mail	-	120
Company search	-	6
Category 2 disbursements		
Internal printing and photocopying	-	204
Legal fees	6,193	6,787
Legal disbursements	35	35
Irrecoverable VAT	1,238	2,194
	<u>(7,466)</u>	<u>(13,204)</u>
Balance of floating charge assets	<u>-</u>	<u>-</u>
Total balance		<u>-</u>

In the previous report, funding from Nationwide was incorrectly shown as a fixed charge asset. This error has been rectified and correctly posted as a floating charge asset.

Statement of Insolvency Practice 7 states the headings used in the Receipts and Payments Account should follow those used in any prior statement of affairs (SOA) or estimated outcome statement. Fancourt is a dormant company with no assets therefore no SOA valuations cannot be provided.

**Appendix B. Receipts and Payments Accounts for the period
 6 March 2014 to 5 September 2014 and
 Cumulative Accounts for the period since appointment**

Paintfirst

Statement of Affairs		Period	Cumulative
£		£	£
	Fixed charge assets		
	Receipts		
5,000,000	Green Park House	-	-
	Nationwide contribution to costs	63,705	717,943
	Rent	31,704	222,163
	Bank interest	47	342
		<u>95,456</u>	<u>940,448</u>
	Payments		
	Joint Administrators fees	-	28,000
	Category 1 disbursements		
	Specific bordereau costs	-	30
	Travel and subsistence	-	313
	Telephone charges	-	9
	Category 2 disbursements		
	Internal printing and photocopying	-	84
	Legal fees	22,931	22,533
	Legal disbursements	205	205
	Agent's fees	20,000	74,973
	Maintenance costs	4,931	41,755
	Property management fees	5,150	29,574
	Sundry expenses	607	14,525
	Utilities	8,825	86,873
	Rent	53,088	425,096
	Bank charges	-	20
	Security costs	1,800	57,688
	Dilapidations claim reports	-	12,507
	Agent float	21,521	77,735
		<u>(139,058)</u>	<u>(871,920)</u>
	Balance of fixed charge assets	<u>(43,602)</u>	<u>68,528</u>

Appendix B. Receipts and Payments Accounts for the period
6 March 2014 to 5 September 2014 and
Cumulative Accounts for the period since appointment

Paintfirst

Statement of Affairs £	Period £	Cumulative £
Floating charge assets		
Receipts		
Cash at bank	-	30,970
Bank interest	15	211
	15	31,181
Payments		
Category 1 disbursements		
Statutory advertising	-	77
Bank charges	-	15
	-	(92)
Balance of floating charge assets	15	31,089
Total balance		98,617
Represented by		
Interest bearing accounts		76,392
VAT receivable		22,225
		98,617

**Appendix B. Receipts and Payments Accounts for the period
6 March 2014 to 5 September 2014 and
Cumulative Account for the period since appointment**

Kennington

Statement of Affairs £	Period £	Cumulative £
Fixed charge assets		
Receipts		
14,000,000 Edinburgh House	13,370,000	13,370,000
Rent collected on behalf of Nationwide	473,767	2,323,767
Contribution to insurance	49,306	49,306
Bank interest	1,487	2,411
	<u>13,894,560</u>	<u>15,745,484</u>
Payments		
Joint Administrators fees	-	31,750
Category 1 disbursements		
Specific penalty bond	-	30
Telephone charges	-	1
Stationery and postage	72	96
Statutory advertising	-	76
Category 2 disbursements		
Internal printing and photocopying	-	135
Legal fees	273,814	274,382
Legal disbursements	35	35
Agent's fees	136,990	169,318
Agents disbursements	-	91
Professional fees - tax advice	1,200	1,200
Bank charges	10	20
Rent	38,301	158,301
	<u>(450,422)</u>	<u>(635,435)</u>
Distributions		
Nationwide	12,659,876	14,009,148
	<u>(12,659,876)</u>	<u>(14,009,148)</u>
Balance of fixed charge assets	<u>784,262</u>	<u>1,100,901</u>
Represented by		
Interest bearing account		1,106,000
VAT payable		(5,099)
		<u>1,100,901</u>

Appendix C. Costs incurred and not yet paid

The analyses of the Receipts and Payments for the Period excludes the following costs which have been incurred but not yet paid. All costs will be paid within the period agreed with each supplier.

Fancourt

There are no costs incurred and not yet paid in respect of Fancourt.

Kennington

Cost category	Supplier	Amount not yet paid £
Legal fees	Burgess Salmon LLP	33,425
Agent's fees	Eddisons Commercial (Property Management) Limited	66,850
Total		100,275

Paintfirst

Cost category	Supplier	Amount not yet paid £
Legal fees	Burgess Salmon LLP	16,575
Total		16,575

Appendix D. Time Analyses and details of time spent

The Administrators' time costs for the Period are summarised below

Company	Time costs £	Total hours	Average rate per hour £
Fancourt	7,561	27	277
Paintfirst	20,533	82	252
Kennington	30,800	117	264

Detailed below are Time Analyses for the Period which provides details of the costs incurred by activity and by staff grade

Fancourt

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	9.6	0.1			9.7	4,255.50	439
Statutory duties			1.0	0.2	1.2	258.00	215
Case administration	0.2	0.2	2.0	2.1	4.5	955.00	212
Accounting and treasury		0.3	0.3	3.8	4.4	504.00	115
Internal documentation				1.4	1.4	110.00	79
Realisation of assets - floating charge							
Asset accounting and administration				0.8	0.8	112.00	140
Creditors							
Reporting to creditors	0.7	0.7	1.9		3.3	916.00	278
Secured creditors			1.3	0.1	1.9	411.00	216
Unsecured creditors	0.1				0.1	39.00	390
Totals	10.6	1.3	2.0	8.4	22.3	7,560.50	277

Paintfirst

	Employee grade (hours)				£		
	Partner/ director	Associate/ director/senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	7.5	1.9			9.4	3,936.00	419
Statutory duties			1.1	0.5	1.6	314.00	196
Case administration	0.3	0.3	2.0	1.8	4.4	988.50	225
Accounting and treasury	0.4	1.2	0.8	11.7	14.1	1,843.50	131
Internal documentation		0.6	0.3	0.4	1.3	303.00	233
Realisation of assets - fixed charge							
Asset realisation strategy		7.0		0.5	7.5	2,455.00	327
Asset identification and valuation			10.1	2.1	12.2	2,537.00	208
Sale of assets	0.2	10.2			10.4	3,389.00	326
Asset accounting and administration	0.3	0.2		8.5	9.0	1,329.00	148
Realisation of assets - floating charge							
Asset identification and valuation			0.6		0.6	150.00	250
Asset accounting and administration		0.1		0.8	0.9	154.00	171
Creditors							
Creditor strategy		2.0			2.0	680.00	340
Reporting to creditors	1.0	3.4	2.6		7.0	2,163.50	309
Secured creditors			1.1		1.1	275.00	250
Unsecured creditors				0.1	0.1	15.00	150
Totals	9.7	26.9	18.6	26.4	81.6	20,532.50	252

Appendix D. Time Analyses and details of time spent

Kennington

	Employee grade (hours)				£		
	Partner/ director	Associate/ director/senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	11.2	1.9			13.1	5,501.50	420
Statutory duties			1.0	0.7	1.7	300.50	177
Case administration	0.3	0.5	3.7	1.8	6.3	1,481.50	235
Accounting and treasury	0.6	1.5	1.2	13.8	17.1	2,297.00	134
Internal documentation		0.6		1.4	2.0	278.00	139
Realisation of assets - fixed charge							
Asset realisation strategy	0.3	13.2	0.4	0.2	14.1	4,735.00	336
Asset identification and valuation		0.5	22.1	1.3	23.9	5,217.00	218
Sale of assets	0.7	15.7			16.4	5,481.50	334
Asset accounting and administration	0.8	0.6	0.9	5.0	7.3	1,481.50	203
Realisation of assets - floating charge							
Asset accounting and administration		0.1		0.1	0.2	45.00	225
Creditors							
Reporting to creditors	1.4	2.0	2.5		5.9	1,786.00	303
Secured creditors		0.4	8.1		8.5	2,161.00	254
Unsecured creditors		0.1			0.1	34.00	340
Totals	15.3	37.1	39.9	24.3	116.6	30,799.50	264

Principal areas of activity during the Period are discussed in further detail below

- Administration and planning - monitoring the case strategy, complying with statutory duties and performing general administrative work. General case related treasury and support time is also recorded here
- Realisation of assets - fixed charge - managing the marketing process, monitoring the float provided to Eddisons, negotiating with interested parties, reviewing offers received and finalising the sales process of Edinburgh House. Time has also been spent liaising with Whitgift in respect of the proposed sale of Green Park House
- Realisation of assets - floating charge - time has been spent opening new bank accounts and raising and processing payments
- Creditors - preparing statutory reports and reporting to the secured creditor

A Cumulative Time Analyses for the period since the Administrators' appointment is attached at Appendix E.

Appendix E. Cumulative Time Analyses for the period since appointment

Fancourt

	Employee grade (hours)				£		
	Partner/ director	Senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	10.9	0.7	0.6	0.5	0.5	57.50	115
Strategy and control	0.1	1.9	1.8	2.9	12.7	5,218.50	411
Statutory duties	0.9	0.9	4.0	20.5	26.3	1,409.50	210
Case administration		2.6	1.7	15.3	19.6	4,111.00	156
Accounting and treasury			0.2	7.9	8.1	2,797.50	143
Internal documentation						717.50	89
Investigation		0.5	1.1	2.0	3.6	640.50	178
Director conduct reports				0.2	0.2	23.00	115
Other investigations							
Realisation of a sec. floating charge			1.3	3.6	4.9	716.00	146
Asset identification and valuation				1.2	1.2	157.50	131
Asset accounting and administration							
Creditors		0.1			0.1	31.50	315
Creditor strategy	1.8	9.0	16.7	3.0	30.5	7,878.00	258
Reporting to creditors	1.6	0.4	14.7	0.1	16.8	3,965.00	236
Secured creditors	0.1	0.2		0.5	0.8	162.50	203
Unsecured creditors							
Totals	15.4	16.3	42.1	58.2	132.0	27,885.50	211

Paintfirst

	Employee grade (hours)				£		
	Partner/ director	Associate/ director/senior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Planning	8.6	4.0	1.9	1.5	3.5	402.50	115
Strategy and control		1.6	4.3	2.0	16.5	5,759.50	349
Statutory duties	1.4	0.8	4.4	5.2	11.1	2,132.00	192
Case administration	1.1	4.5	5.1	31.3	37.9	5,612.00	148
Accounting and treasury	1.2	0.6	0.5	54.0	64.7	8,276.50	128
Internal documentation				4.5	6.8	1,297.50	191
Investigation		0.5	0.3	2.7	3.5	537.00	153
Director conduct reports				0.4	0.4	46.00	115
Other investigations							
Realisation of assets: fixed charge		31.7		0.5	32.4	10,438.50	320
Asset realisation strategy	0.4	1.0	52.7	52.5	106.3	18,137.00	171
Asset identification and valuation	0.1	10.2			10.4	3,389.00	326
Sale of assets	0.8	2.1		14.1	17.0	2,768.50	163
Asset accounting and administration							
Realisation of a sec. floating charge			0.6	0.2	0.8	175.00	219
Asset identification and valuation		0.1		0.8	0.9	154.00	171
Asset accounting and administration							
Creditor		2.1		0.1	2.2	723.00	329
Creditor strategy	3.8	21.9	25.2	0.8	51.7	14,625.00	283
Reporting to creditors	1.3	1.3	2.1		4.7	1,406.00	299
Secured creditors		0.2		1.6	1.8	259.50	144
Unsecured creditors							
Totals	18.9	82.6	97.1	174.2	372.8	76,138.50	204

Appendix E. Cumulative Time Analyses for the period since appointment

Kennington

	Employee grade (hours)				£		
	Partner/ director	Associate/ director/enior associate	Associate/ analyst	Junior analyst/ support	Total hours	Total cost	Average rate per hour
Administration and planning							
Strategy and control	12.0	4.9	1.4	0.3	18.6	7,149.50	384
Statutory duties		1.8	5.0	4.5	11.3	2,242.50	198
Case administration	0.9	1.3	5.5	35.5	43.2	6,352.00	147
Accounting and treasury	1.8	4.8	2.8	48.1	57.5	7,502.00	130
Internal documentation		0.6	0.2	5.0	5.8	741.00	128
Investigations							
Director conduct reports		0.5	0.3	3.2	4.0	594.50	149
Other investigations				0.6	0.6	69.00	115
Realisation of assets - fixed charge							
Asset realisation strategy	0.7	20.5	0.4	3.2	24.8	7,571.50	305
Asset identification and valuation		2.0	43.2	20.3	65.5	12,569.50	192
Sale of assets	0.7	15.7			16.4	5,481.50	334
Recovery of assets		0.1			0.1	32.00	320
Dealing with third party assets				0.2	0.2	23.00	115
Asset accounting and administration	0.8	1.0	0.9	6.9	9.6	1,883.00	196
Realisation of assets - floating charge							
Asset accounting and administration		0.1		0.1	0.2	45.00	225
Creditors							
Creditor strategy		0.1		0.2	0.3	54.50	182
Reporting to creditors	3.9	21.7	34.2	2.5	62.3	16,814.00	270
Secured creditors	2.3	1.5	9.6		13.4	3,735.50	279
Unsecured creditors		0.5		1.1	1.6	291.50	182
Totals	23.1	77.1	103.5	131.7	335.4	73,151.50	218

Appendix F. Administrators' fees and disbursements

Fees and disbursements

A copy of 'A Creditors' Guide to Administrations' can be downloaded from Zolfo Cooper's creditor portal (<http://www.zcinfoportal.com>). If you would prefer this to be sent to you in hard copy please contact the Administrators and they will forward a copy to you.

Approval of the Administrators' fees has been sought in accordance with rule 2.106 of the Insolvency Rules 1986. On 8 October 2013, Nationwide approved that the basis of the Administrators' fees be fixed by reference to the time properly spent by the Administrators and their staff on matters arising in the Administrations.

To date the following fees and disbursements have been drawn on account:

Company	Fees (£)	Category 1 disbursements (£)	Category 2 disbursements (£)
Fancourt	Nil	234	204
Paintfirst	28,000	429	84
Kennington	31,750	203	135

The following category 2 disbursements have been drawn:

- Photocopying - charged at the rate of 10 pence per sheet for notifications and reports to creditors and other copying.
- Printing - charged at the rate of 10 pence per sheet for black and white printing and 15 pence per sheet for colour.

Appendix G. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Policy

Detailed below is Zolfo Cooper's policy in relation to

- staff allocation and the use of sub-contractors,
- professional advisors, and
- disbursements

Staff allocation and the use of sub-contractors

The Administrators' general approach to resourcing their assignments is to allocate staff with the skills and experience to meet the specific requirements of the case

The case team will usually consist of a partner, a senior associate or associate director, an associate and an analyst. The exact case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment. On larger, more complex cases, several staff at all grades may be allocated to meet the demands of the case. The Administrators' charge-out rate schedule below provides details of all grades of staff and their experience level.

With regard to support staff, time spent by cashiers in relation to tasks such as recording transactions and dealing with bank accounts is charged but secretarial time is only recovered if a large block of time is incurred, eg report compilation and distribution.

The Administrators have not utilised the services of any sub-contractors in these cases.

Professional advisors

On these assignments the Administrators have used the professional advisors listed below. The Administrators have also indicated the basis of their fee arrangement with them, which is subject to review on a regular basis.

Name of professional adviser	Basis of fee arrangement
Burgess Salmon LLP (legal advice)	Hourly rate and disbursements
Willis Limited (insurance)	Risk based premium
Edward Symmons Limited (valuation)	Fixed fee
Waypoint Asset Management Limited	Annual fee
Eddisons LLP	Annual fee
Zizehen Yang of Pump Court Tax Chambers (tax advice for Kennington)	Fixed fee

The Administrators' choice was based on their perception of the professional advisors' experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of their fee arrangement with them.

Appendix G. Additional information in relation to the Administrators' fees pursuant to Statement of Insolvency Practice 9

Disbursements

Category 1 disbursements do not require approval by creditors. Category 1 disbursements may include external supplies of incidental services specifically identifiable to the case eg postage, case advertising, invoiced travel and external printing, room hire and document storage. Any properly reimbursed expenses incurred by the Administrators and their staff will also be chargeable

Category 2 disbursements do require prior approval by creditors before they are paid. If they are incurred, they will be drawn in accordance with the resolution approved by creditors. Details of category 2 disbursements charged on these cases are provided in Appendix F.

Charge-out rates

A schedule of Zolfo Cooper charge-out rates for this assignment effective from 1 April 2014 is detailed below, together with those applicable prior to that date. Time is charged by partners and case staff in units of six minutes.

Description	Rates from 1 April 2014 £	Description	Rates pre 1 April 2014 £
Partner 1	445	Partner 1	445
Partner 2	415	Partner 2	415
Director	390	Director	360
Associate director	340	Associate director	320
Senior associate	280	Senior associate	280
Associate	250	Associate	240
Analyst	220	Analyst	220
Junior Analyst	150	Junior Analyst	125
Senior treasury associate	170	Senior treasury associate	170
Treasury associate	110	Treasury associate	110
Treasury analyst	85	Treasury analyst	85
Support	79	Support	79

Appendix H. Exit route and discharge from liability

Dissolution of the Companies

The Companies have no property to permit a distribution to its unsecured creditors. The Administrators will therefore file notices, together with their final progress report, at court and with the Registrar of Companies for dissolution of the Companies. The Administrators will send copies of these documents to the Companies and their creditors. The appointments will end following the registration of the notices by the Registrar of Companies.

Discharge from liability

Nationwide approved on 8 October 2013 that the Administrators will be discharged from liability under paragraph 98 of schedule B1 of the Insolvency Act 1986 directly after their appointments as Administrators ceases to have effect.